

THE SURPLUS LINE ASSOCIATION
OF CALIFORNIA

A. L. LATHROP
MANAGER
A. B. HERRICK
ASSISTANT MANAGER

315 MONTGOMERY STREET
SAN FRANCISCO 94104

TELEPHONE
986-0763 (415)

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BULLETIN TO ALL MEMBERS:

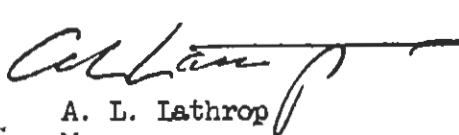
Re: Special Multi-Peril (SMP) Coverage

The issuance of this coverage by non-admitted insurers presents a problem with respect to the application of the surplus line law, in that separate lines of coverage or classes may be embraced, and coverage may be properly surplus for one line and not for another. We have therefore been requiring separate SLA-101 forms for each major class of business.

It is now our conclusion that our insistence on the separate SLA form may be discontinued. With the passage of several years, the SMP form has gained substantial recognition, and may therefore be considered more universally as a unit, as Commercial Block has been considered. In the interest of expediting handling, and with approval of the Insurance Department, a single SLA-101 form may be used if it carries the following note under "CLASS OR TYPE OF INSURANCE APPLIED FOR":

IMPORTANT - NOTE WITH RESPECT TO SPECIAL MULTI-PERIL (SMP).
IF COVERAGE HAS PREVIOUSLY BEEN ON SEPARATE POLICIES BY CLASS,
THE DECLINATION BY INSURANCE COMPANIES APPLIES TO EACH SPECIFIC
CLASS OF INSURANCE AS IF SEPARATE FORMS WERE PRESENTED.

Please amend your own supplies if you write this form. Future reprints of the SLA-101 will contain this wording.


A. L. Lathrop
Manager